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MEMORANDUM FOR:

NIO/NESA provided Comments

as requested in the attached

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Please note ow.

Date 3/8/82

NSC review completed.

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

March 5, 1982

MEMORANDUM FOR: See Attached List

SUBJECT: Impact of Oil Imports on the National Security

A draft memorandum for the President from the Secretary of Commerce (Tab A) and a draft Presidential Proclamation (Tab B) are forwarded for your comments/concurrence by noon Monday, March 8.

Please call in your comments/concurrences to Mr. Raymond Tanter, Senior Staff Member, NSC, at 395-5697.

URGENT

Kathy McGraw for
Michael O. Wheeler
Staff Secretary

Attachments

Tab A Memo from Secretary of Commerce

Tab B Presidential Proclamation

Staff

L-299A

WASHFAX — KEGELM

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Ms. Nancy Bearg Dyke
Assistant to the Vice President
for National Security Affairs

Mr. L. Paul Bremer III
Executive Secretary
Department of State

Mr. David Pickford
Executive Secretary
Department of the Treasury

Lieutenant Colonel Robert P. Meehan
Assistant for Interagency Matters
Office of the Secretary of Defense

Mr. P. Henry Habicht
Special Assistant to the Attorney General
Room 5123
Department of Justice

Ms. Jean Jones
Director, Executive Secretariat
Department of Commerce

Mr. William V. Vitale
Executive Secretariat
Department of Energy

Ms. Florence Randolph
Office of the Counsellor
to the President

Mr. William Schneider
Associate Director for National Security
and International Affairs
Office of Management and Budget

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Executive Secretary
Central Intelligence Agency

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Ms. Jackie Tillman
Executive Assistant to the United States
Representative to the United Nations
Department of State

Mr. Dennis Whitfield
Executive Assistant to the
U.S. Trade Representative

Margaret
Office of the Chief of Staff
to the President

Shirley
Office of the Deputy Chief of Staff
to the President

Colonel Charles F. Stebbins
Executive Assistant to the
Chairman, Joint Chiefs of Staff

Mr. Thomas B
Executive Se
Central

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DRAFT 3/5/82

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Impact of Oil Imports on the National Security

I have reviewed the finding of the report on oil imports conducted by the Secretary of the Treasury in 1979 pursuant to Section 232 of the Trade Expansion Act of 1962, as amended. After consulting with all of the agencies which participated in the Treasury report, I conclude that the finding of that report is still valid in that the United States continues to be too reliant on imports of crude oil and such reliance, which includes a risk of supply interruption, posed a substantial threat to the national security.

Agencies responsible for national security matters have informed me that of those countries on whom the United States is dependent for oil, Libya is a particularly unreliable and insecure source, and that Libyan policies and actions supported by revenues from the sale of oil imported into the United States are inimical to the security interest of the United States.

Therefore, I recommend that under the authority vested in you by Section 232 of the Trade Expansion Act of 1962, as amended, that you adjust the imports of oil by prohibiting the importation of Libyan crude oil into the United States. A Proclamation accomplishing this is attached for your signature.

Secretary of Commerce

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IMPORTS OF PETROLEUM

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

The Secretaries of Commerce and Energy have advised me that the threat to the national security posed by imports of petroleum continues. The Secretaries, in conjunction with the Secretaries of State, Defense, and Treasury, advise that we no longer consider Libya to be a reliable supplier of United States energy needs, and that we must ensure we are not vulnerable to Libyan action in this area. The Secretaries recommend that I take steps immediately to eliminate the dependence of the United States on Libya as a source of crude oil.

I agree with the recommendation and believe that the changes proposed are consistent with the purposes of Proclamation 3279, as amended, and the national security findings on which it is based.

NOW, THEREFORE, I, RONALD REAGAN, President of the United States of America, by the authority vested in me by the Constitution and the laws of the United States, including Section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), do hereby proclaim that:

Section 1. Section 1 of Proclamation 3279, as amended, is further amended by the revision of paragraph (e) to read as follows:

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Sec. 1(e). Notwithstanding any other provision of this Proclamation, no crude oil produced in Libya (except crude oil loaded aboard maritime vessels at any time prior to the next calendar date) may be imported into the United States, its territories or possessions.

Sec. 2. Section II of Proclamation 3279, as amended, is further amended by the revision of paragraph (1) to read as follows:

"Sec. II(1). The term 'import', when applied to crude oil other than that produced in Libya, includes both entry for consumption and withdrawal from warehouse for consumption, but excludes unfinished oils and finished products processed in the United States territories and foreign trade zones from crude oil produced in the United States.

IN WITNESS WHEREOF, I have hereunto set my hands this day of March, in the year of our Lord nineteen hundred and eight-two and of the Independence of the United States of America the two hundred and sixth.

Ronald Reagan

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